

Dear Mr Luckett

Response to your letter dated 12th December 2011

I am writing in response to recent letter, as referenced above. Your letter raised a number of points, so I will seek to address them in turn.

In your third paragraph you state that you have “witnessed and experienced personally the negative impact of the cuts made in this financial year”. However, you have not cited any particular examples of what you consider this negative impact to be. I must advise you that the Council actually increased its budget allocation for Adult Social Care in 2011/12 and plans to further increase it in 2012/13. Measures were taken in the current year to reduce some areas of expenditure, but with the exception of the raising of the eligibility threshold (which has now been reversed and only resulted in a reduction of service for 32 clients), all other measures were about increasing efficiency of service delivery and maintaining the levels of service that clients were receiving.

In addition to these measures we also amended our charging policy for community based services, in part to ensure that all clients were assessed to contribute to their care through a common approach regardless of their age, disability or the nature of the services that they are receiving, but also to ensure that those clients who could reasonably contribute to the cost of their care provision did so. In setting out the new charging policy the Council was fully compliant with statutory guidance and thereby ensured that individuals only pay what they can reasonably afford to, having taken into consideration both their incomes and their commitments, including any specific disability related expenditure. The proposals to amend the charging policy were subject to a three month consultation period and were generally supported by respondents, including both people in receipt of services and the wider community.

In summary, we have made provision to invest more money to meet the needs of vulnerable people, improved our efficiency in service delivery and secured additional income from those who can reasonably contribute to the cost of their care. I hope that you agree this is not a programme of cuts, but a sensible focus of how to manage a large budget for an increasing client base of need.

You go on to voice your concern about “further reductions in necessary funding and cutting further care “. I should take this opportunity to clarify that there are no proposals on the table for reductions in provision in this area, other than delivering the full year effect of the actions agreed for the current financial year and making savings through more efficient ways of working. This includes over £500,000 savings as a consequence of improving how we work with the NHS, to improve our responsiveness to people who have had some form of crisis in their health or ability to manage independently through what we call “reablement”. It also includes over £100,000 of savings being achieved through supporting our directly provided services to work more like independent sector businesses, looking at their costs and opportunities to secure more business. These changes which will ensure we use our limited resources as effectively as possible to support the needs of these clients.

### **Highways PFI**

I would now like to turn to address your concern about the Highways PFI programme.

For the majority of Island residents the condition of our roads has been a key concern for a number of years and the Highways PFI programme is the only affordable way of properly addressing this. The PFI is in the form of a grant from the government that does not need to be paid back. In return we are committing to continue to spend, at the very most, the same amount that we currently do on highways maintenance for the

duration of the PFI contract. It is likely that as a result of the PFI contract negotiations we will actually end up committing less to the contract than we currently spend on highways maintenance, thereby effectively delivering a saving to the Council's budgets.

We have made it clear in our decision-making and communication around the Highways PFI that the Council would be committed to spend the amount that it currently does on highways maintenance for the duration of the contract. It is not unusual for the local authority to make a commitment to a certain level of financial input when it enters a contract for a number of years, as that is needed for clarity and financial stability. I therefore believe it is entirely appropriate for us to make a firm financial commitment to a level of expenditure which the local authority would be certain to be spending, as a minimum, over this period. By making this commitment, we are able to secure significant grant funding which the Island would otherwise not benefit from. I believe that making a financial commitment in order to achieve such grant funding is an entirely reasonable step to take, and one that the Island will stand to benefit from significantly over coming years.

You have stated that this money has priority over other services. It only has priority to the extent that it also would have had priority if we continued to spend that amount of money directly on our roads over the same period. As I have stated, it is certain that we would be spending that amount, as a minimum, irrespective of whether the Highways PFI contract was in place. At the same time, the Council will continue to spend on other corporate priorities, which currently are:

- Raising educational standards;
- Keeping children safe;
- Supporting older and vulnerable residents;
- Housing and homelessness;
- Regeneration and the economy;
- Waste strategy;
- Delivery of budget savings through changed service provision.

It is also the case that the provision of an acceptable standard of infrastructure in the form of roads, pavements, public lighting, etc is an essential service that the Council has to provide as part of its broad range of responsibilities. These services will move to be delivered under the Highways PFI programme, from 2013.

I am not aware of any public questions that remain unanswered as to the value of the Highways PFI scheme.

To the best of my knowledge we have answered all questions in full, either verbally or in writing, although I appreciate that the content of these answers may not have found favour in some quarters. In addition to this a number of public meetings have been held to present the value of the PFI scheme, not just to securing the necessary improvements in the Island's infrastructure, but also to the Island's economy in the form of jobs and opportunities for Island residents. Given your background I am sure that you are aware of the importance of economic vitality to the health and wellbeing of our residents.

We will have spent four years planning and preparing for the Highways PFI, including three years of detailed negotiations with bidders before we enter into any contract. As with all contracts there will be risks, however these are being appropriately managed through the procurement process and I cannot therefore agree with your view that the Council is gambling with taxpayers' money. We are working hard to ensure that all the necessary safeguards are put in place to protect the interests of taxpayers.

In summary, the Highways PFI is a priority for the Council, but no more so than health, social welfare or education; the PFI will in fact contribute to these priorities.

### **The Underspend**

You went on to raise concerns about the underspend which the local authority is projected to achieve in the current financial year. This underspend is essentially an overachievement of savings – i.e. we have realised a greater level of savings than we had originally anticipated. There is always the possibility of this happening, as there are many unknowns when the budget is set, particularly with many factors and circumstances that can affect the delivery of savings during the course of the financial year. Whilst an overall underspend is anticipated, this is made up of overspends in some areas and more significant underspends in others.

Furthermore, whilst we are always looking to improve the accuracy of our forecasts for savings, it will always be the case that the eventual outturn position is likely to vary from the projections made at the beginning of the financial year, for the reasons I have set out.

You have suggested that the underspend is being “celebrated”. We have not celebrated it, but have welcomed it – which is quite different, in my view. We have welcomed it as achieving such savings not only ensures that we are well placed to tackle the financial challenges (and funding reductions) of future years, but also allows us to look at how we can use these remaining resources from the current year to support one-off initiatives that will benefit our Island community.

The Council has reduced its overall level of expenditure to a longer-term affordable base, which was essential and necessary. At the end of last year, the Chancellor confirmed that the funding reductions will go on into future years, at the same time that our demographic costs are likely to increase further. We also have the future uncertainty of the Local Government Resource Review (localisation of business rates) which we need to ensure we are prepared for, in terms of any potential adverse impact on our finances.

You have asked for my assurance and personal commitment that “at least some of these reserves may be used for constructive uses for the Island community at a time that it is most needed – like now”. As I have alluded to further above, we are able to look at how the remaining resources from the underspend (which would otherwise go into the reserves) could be used to support one-off initiatives for the Island community. I can also advise you that our desire to use these resources for such purposes is one which we are taking forward right now – rather than wait for the end of the financial year. We have already allocated £250,000 of the underspend to support the establishment of our Economic Improvement Fund, which will be used to support local initiatives to contribute to economic wellbeing in parish areas. I have also made clear our commitment to use this money to support initiatives that will contribute to the local economy and help create job opportunities, particularly for young people. In many ways, nothing could be more important for us, and I believe that investment in this area – to support the next generation of Islanders – would be money well spent. With this in mind, we will be announcing in the coming weeks, in preparation for the budget setting process, how we intend to make use of the underspend – now – to support such initiatives. I hope that this reassures you on this point and shows that we are very much in agreement on the need to use such money now for constructive uses for the Island community. I hope that this also addresses your misplaced concern that these funds would be used at what you described as a “more politically expedient time”. We are looking to make use of this money now, for the benefit of the Island and addressing the challenges which we are facing.

In the second paragraph of the third page of your letter, you have stated that “any reductions in services that you make will hurt most the vulnerable members of our community and the low paid workers who provide these essential services”. I must challenge this assertion, as we have

consistently sought to minimise and avoid any impact on the most vulnerable members of society, and have instead sought to focus our limited resources on those with the greatest need. We have sought to reflect this in our decision-making process, recognising that if there is only so much money to go round, it must be prioritised as much as we can to assist those residents who need support the most. Furthermore, we have taken steps to protect as many frontline jobs as possible – which are often those filled by workers on lower levels of pay – and at the same time making reductions in the levels of management, whilst recognising that a minimal level of management needs to remain in place to ensure that we are meeting the various statutory duties placed upon us. I appreciate that arguments will be made to the contrary of what I have outlined in this paragraph, but I firmly believe that we have taken steps to protect these groups – whilst recognising that there always was going to be some adverse impact with the scale of the spending reductions we needed to achieve.

### **Your invitation**

I would now like to respond to the invitation for myself and my colleagues to undertake a shift in a residential or nursing home, or to shadow a care worker. As I said when I responded to you verbally at the Cabinet meeting, I feel that the work of professionals is best left to professionals, and that we should not seek to emulate what they do. However, following my initial response, I have given further and full consideration to your invitation and whether it would be appropriate and beneficial for myself and colleagues to undertake such an initiative.

After due consideration, I must decline your invitation. I believe that there are a number of potential risks and issues associated with elected members undertaking such a role, and that it would therefore not be appropriate for us to take up your invitation.

Firstly, I should expand on the point I made at the Cabinet meeting that care work should be undertaken by qualified, trained individuals who have the authorisation to handle these vulnerable clients. As you will know more than me, this is a particularly sensitive area of work, where unless the highest level of professional standards are maintained, these vulnerable clients may feel that their dignity has been compromised. Even if a client did give tacit permission for a councillor to be present, I would still be uneasy as to whether they fully appreciated or were entirely comfortable with that lay individual (which councillors are) playing a role in what are understandably very private and sometimes intimate matters. I feel that the risk of a client feeling that their privacy had been compromised would be quite high, whatever the best of intentions that may exist. I do not believe that this is a risk which councillors, but more importantly the clients themselves, should be exposed to.

The Council's Monitoring Officer, Davina Fiore, has set out a detailed note on these points – which I believe you have had sight of. I have had particular regard for this advice when considering your invitation.

Whilst I believe that there are some areas of working where it could be appropriate for a councillor to undertake shadowing, I believe – for the reasons I have set out – that it would not be suitable in frontline care work. There are areas in which councillors are undertaking such activity – such as myself as a volunteer in my local library, and another one of my colleagues as a driver of a community bus. It is clear that some of the potential risks highlighted with undertaking shadowing in care work would not exist in these particular areas – hence why such activity is suitable.

Secondly, I am not convinced that any councillor undertaking a day's observation / participation in such activity would necessarily be any more informed when it came to making budget decisions. We employ senior officers to provide professional advice to us about the budget choices we face, and the potential implications of making such decisions. It is these senior officers who are

responsible for ensuring the services are delivered appropriately and to the necessary standard. Their professional background, and this involvement, means that they are then well placed to advise us about the possible decisions we have to consider. This is complemented by the skills and knowledge which elected members have from their range of professional backgrounds, including that of the Cabinet – which includes one qualified social worker with decades of experience in this field. Our considerations are also informed by representations we receive from a range of stakeholders and interested parties, which we fully consider before reaching decisions as to the way forward to take.

In summary, I can advise you that the deliberations of elected members are informed by a wide range of professional input, and it is rightly this which we rely on when making decisions. If we do not feel that we have been provided with a necessary level of information to enable us to make an informed decision, we will ask officers for further information and / or for clarification on particular points. This is a very thorough process and one which I do not believe will be enhanced or better informed by any one of us having a one day involvement in how care services operate. It would remain the case that we still need to make difficult decisions about how best to prioritise resources and I consider that the best way to prepare for this is to continue to draw on the professional advice of the officers we employ to oversee the service delivery in these areas, along with considering representations made by third parties, such as yourself.

In this section of your letter, you offered a “warning” that undertaking such work would involve an early start and a late finish as carers work long days. I appreciate that this is the case, and I applaud the commitment of those carers who provide such an essential public service. Having come from a family of nurses (almost all of my immediate relatives have worked or work in this profession) I have seen first hand the commitment and dedication which they offer to their line of work, often with the long hours to which you refer. This is very commendable, and whilst my line of work also often involves an early start and a late finish, I would not begin to compare the very different role which I undertake for extensive hours to the hands-on intensive dedication that takes place every day by those working in the caring profession. I do however, for the record, wish to state that I am more than familiar with early starts and late finishes – albeit in a very different job with a very different type of work. The caring profession is one which we all recognise as benefiting from dedicated public servants - and their long days are a testament to their commitment for this public service.

I must respond to your statement that you feel “the ruling group” are in greater need of this experience. I am not sure on what basis this statement is made – and whether you have reached this view due to the fact that the budget decisions finally agreed were those put forward by the majority / ruling group. Whilst this was the case, I should point out – for the record – that it was not just the majority group which put forward budget proposals for savings in adult social care, but the two other groups in the council also put forward proposals that incorporated reductions in this area. Therefore I would respectfully suggest that your view of the need for this experience (even though I feel it is unnecessary) should really be extended on an equal basis to members of all groups on the IW Council.

### **Responses to your letter**

Finally, I am aware that you circulated your letter to many, if not all, IW Council elected members – with a view to receiving individual responses from all those to whom you wrote. It may be helpful if I explain that the principal duty of individual ward councillors, as set out in the Council’s Constitution, is to be accountable to their own constituents – i.e. the residents who live within their own electoral divisions. Whilst some councillors may choose to respond to residents from outside of their electoral division, there is no expectation that they should do. A similar protocol applies to MPs, who rarely correspond with individuals not located in their constituencies.

This is for understandable reasons, to ensure that there is a clear line of accountability – and a relationship between an elected representative and the people he / she represents.

With this in mind, I have been asked by a number of councillors to make clear to you that they will not be responding to your letter as you are not one of their local residents. Your local councillor is Dawn Cousins, one of my Cabinet colleagues, and she has asked me to make clear that she fully agrees with the response I am setting out in this letter and therefore I am also responding on her behalf. If you wish to follow this up further with Cllr Cousins, you can contact her directly. I am of course responding to you in my capacity as Council Leader, and in this role I also reflect the collective view of the Cabinet, with whom I have discussed this response.

I appreciate that this reply may disappoint, but I hope that it sets out in sufficient detail the reasons for why I feel unable to take up your offer – along with addressing the various other points you have made.

Yours sincerely

Councillor David Pugh  
Leader of the Isle of Wight Council